



City of Albuquerque

MAYOR / CAO OFFICE

Martin J. Chávez, Mayor

Interoffice Memorandum

March 31, 2006

To: President Martin Heinrich, Albuquerque City Council

From: Mayor Martin J. Chávez

Subject: APPROPRIATING FUNDS (GENERAL FUND) FOR OPERATING THE GOVERNMENT OF THE CITY OF ALBUQUERQUE FOR FISCAL YEAR 2007, BEGINNING JULY 1, 2006 AND ENDING JUNE 30, 2007; ADJUSTING FISCAL YEAR 2006 APPROPRIATIONS; AND ADJUSTING CAPITAL ACQUISITION FUND PROJECTS.

I am pleased to present a balanced proposed budget for the City of Albuquerque, New Mexico, for the Fiscal Year 2007 (FY/07). Through the efforts and direction of the Budget Review Committee, this consensus budget reflects both the commitments made during last fall's election and the general fund investments necessary for the future of our City. It provides the quality public services needed in our vibrant and growing City, within a framework of fiscal prudence and conservatively estimated resources.

The development of this consensus budget began when Council staff provided the Administration with a list of Council budget priorities in early March. Council requests that could be met at no or low cost were included in the one-year objectives later adopted by Council. Additional Council requests that required a general fund operating appropriation are included in the Mayor's FY/07 Proposed General Fund Budget. Significant appropriations are tied to one-year objectives in a resolution introduced with this legislative package. Tying funding to one-year objectives increases public accountability because progress is reported back to the Mayor and City Council.

Employee Compensation and Benefits

The proposed budget contains sufficient funding to support both increased costs for employee benefits and raises for the permanent workforce. As in previous years, employee insurance premium costs increased. The City will continue to pay 83% of employee health and dental insurance as well as the vision benefit package. The

proposed increases in employee compensation are sufficient to cover the anticipated FY/07 inflation rate of 1.8% and to make up for the shortfall from FY/06 when many employees received 3.2% salary increases and inflation was 3.6%. The base increased employee compensation proposed in this budget (not including the value of the increased cost of health insurance benefits) is:

- 4.5% for sworn police officers;
- 4.5% for firefighters; and
- 3.5% for all other permanent employees

The salary increase is expressed as a percentage, but the actual compensation package will be negotiated during the collective bargaining process. All seven union contracts will expire June 30, 2006.

Highlights of the Proposed FY/07 General Fund Budget

Items of particular interest to the Administration, City Councilors and citizens include:

--public safety

- The goal of 1100 police officers is funded, along with a study to determine what might be needed to keep Albuquerque competitive in public safety hiring;
- Police overtime is funded adequately for continued responsiveness to community needs;
- Technical staff for development and deployment of a “paperless” information system is included;
- Continued expansion of the red-light program will help to make Albuquerque streets safer;
- The Fire Department will assume responsibility for conducting fire safety inspections at all APS and private schools;
- Additional zoning code enforcement staff will provide more coverage;
- An appropriate financial subsidy for the County when they resume management of the MDC is included;

--transit for a multi-modal community

- An enhanced ADA certification process for Mini-Ride qualification will be developed;
- Modified RapidRide service on Coors will be initiated;
- Funding for additional west side bus service is included;
- Security at the Alvarado Transportation Center will be increased by basing the MDC transport program there;
- Park and ride services for major events at the zoo are funded;

--education and our youth

- The education coordinator will help establish a more responsive partnership between APS and the City that will focus on literacy and “troubled” schools and students;
- Increased hiring for summer community center and recreation programs on the west side will be realized;

- Reopening the Heights and Mesa Verde community centers is contemplated;
- Sponsorship of the International Science and Engineering Fair is funded;

--animal care

- Funding is provided for the first phase of a four-year plan to make Albuquerque a live-exit City;
- Two vans offering no cost/low cost spay/neuter and microchipping services are provided;
- Two adoption centers, one at Coronado Center and one at Cottonwood Mall are supported;
- Additional funding for education and outreach to make citizens part of the solution to pet over-population is included;

--libraries

- Funding is provided to develop a four-year facilities plan, with related technology, for our future library system;
- Increased purchase and update of e-materials and Spanish language materials for City libraries is funded;

--energy, environment and sustainability

- A continued funding commitment is made to convert the City fleet to alternative fuels;
- Activities for collaboration in the development of a private sector LEEDS program for “green” construction is contemplated;
- A wildlife biologist to address our wildlife population and protect public health will be hired;

--livability

- Increased funding is provided for the War on Weeds to keep our City clean;
- Additional staffing is included to support our investment in medians, streetscapes and trails;
- Big-I landscaping to help us put our “best foot forward” for guests and residents will be funded;
- Increased staffing and contractual assistance to expedite the development and updating of area, sector and redevelopment plans is a top priority.

The foregoing are merely highlights. The proposed FY/07 general fund budget includes many other priority objectives and initiatives to better serve the needs of Albuquerque’s citizens.

Revenues and Reserves

As in past years, revenues for FY/07 are conservatively estimated. Nevertheless, projected recurring revenues exceed proposed recurring expenditures.

Finally, the General Fund reserve equal to 1/12th of the appropriation level is fully funded. Additional reserves established in the FY/06 budget or during FY/06 are expected to be expended, or are re-established in this proposal. The Quarter Cent Central Processing Reserve will continue to grow as new Quarter Cent Public Safety Revenue is received. However, legislation to appropriate from this reserve to the Police department to provide transport services to the Metropolitan Detention Center during FY/07 is included in this legislation, thus, drawing down the reserve. A separate appropriation bill, including one-time start-up costs, has also been submitted to initiate the transport services program in the fourth quarter of FY/06.

Together the Administration and City Council have developed a sustainable budget that funds longer term initiatives to improve our community. This collaboration has paid off for the citizens of our great City. I look forward to a cooperative and productive hearing and deliberation process for our proposals.

MAYOR
Martin J. Chávez



CHIEF ADMINISTRATIVE OFFICER
Bruce J. Perlman, Ph.D.

DEPUTY CHIEF ADMINISTRATIVE OFFICERS

Nick Bakas

Gail Reese

Ed Adams

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Albuquerque
New Mexico**

For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA (GFOA) PRESENTED A DISTINGUISHED BUDGET PRESENTATION AWARD TO **CITY OF ALBUQUERQUE, NEW MEXICO** FOR ITS ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING **JULY 1, 2005**. IN ORDER TO RECEIVE THIS AWARD, A GOVERNMENTAL UNIT MUST PUBLISH A BUDGET DOCUMENT THAT MEETS PROGRAM CRITERIA AS A POLICY DOCUMENT, AS A FINANCIAL PLAN, AS AN OPERATIONS GUIDE, AND AS A COMMUNICATIONS DEVICE.

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MUNICIPAL DEVELOPMENT, INTERNAL AUDIT, SENIOR AFFAIRS, WATER UTILITY

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City of Albuquerque

